



# **Annual Programme Report No.3 Norway Grants 2009-2014**

**Programme CZ15 – Judicial Capacity building  
Cooperation and Correctional services, including Non-  
custodial sanctions**

**Reporting period: 1.1.2015– 31.12.2015**

**Programme Operator: Ministry of Finance of the Czech Republic**

**Programme Partner: Ministry of Justice of the Czech Republic**

**Donor Programme Partner: Council of Europe**

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## 1. Executive summary

Development of average occupancy in Czech prisons in the years 2014 and 2015 as well as current priorities within the justice sector reaffirmed relevance of the CZ15 Programme and compliance of its goals with the strategies of the sector, mainly in the area of integration of prisoners back into society and reduction of reoffending rate. Even though the Ministry of Justice, the Probation and Mediation Service as well as Prison Service have experienced several personnel changes in leadership positions in 2015, the aim to fulfil set programme targets was not threatened.

Implementation of the projects started at the turn of 2014/2015 and their status reported throughout the year 2015 was influenced primarily by lengthy procurement procedures. Approximately one-year delay has occurred especially within the projects implemented by the Prison Service (PDP3 – 7); delay was also reported within the project of the Ministry of Justice (PDP1). The project of the Probation and Mediation Office was in line with schedule and all the planned activities shall be finished within the planned deadline.

The National Focal Point (NFP) appreciated the official information of Financial Mechanism Office (FMO) about the possibility of extension of projects' implementation period until 30 April 2017. The official request for extension was submitted to the FMO in July 2015. Individual projects can be extended by the Programme Operator (PO) on the basis of duly justified requests submitted no later than in February 2016. Five projects of the Prison Service of the Czech Republic (PDP3 – 7) submitted the requests for extension in November 2015 due to delays in the the implementation of public procurement and the extension was approved. It is expected that also the project of the Ministry of Justice (PDP1) will be extended due to delayed public procurement.

Bilateral relationships were further enhanced both on the project and programme level. The open call for applications within the Bilateral Fund at Programme Level – measure B (BFB) was launched in January 2015. By the end of 2015, three bilateral initiatives were approved and implemented within the fund and approximately 55 % of the BFB allocation has been committed. The Cooperation Committee (CoC) met twice, the 5<sup>th</sup> CoC meeting was held in Prague in March 2015 and the 6<sup>th</sup> CoC meeting was held in Oslo in October 2015. Representatives of PDPs were invited to both meetings in order to streamline discussions about projects' status and possibilities of further bilateral cooperation. On project level, two partnerships were concluded within PDP2 and PDP3 and all planned bilateral activities were finished by the end of 2015. All stakeholders stress good level of cooperation and discuss possibilities of using project savings for further bilateral activities. An overall evaluation of bilateral cooperation within the EEA / Norwegian grants has been launched by the PO in November 2015. The results shall be known in February 2016.

The Programme Agreement was amended three times in 2015. In line with the section 2.1.9 of Annex I to the Programme Agreement, the indicators listed in section 1 of Annex I were reviewed and information in Annex II was updated after verification of PDPs. The second revision of Annex II to the Programme Agreement concerned an administrative mistake in description of PDP4. The third revision related to extension of the eligibility of expenditures.

There has been a positive trend in the evaluation of the risk analysis made in 2015 in comparison with the previous years; importance of all the programme risks is at the low or middle level. The time risk connected mainly with lengthy procurement procedures proved to be valid within 2015. Even though the PO has closely monitored and consulted procurement processes within individual projects, several decisions of the project promoters and/or outcomes of tenders were beyond the sphere of influence of either the PO or the project promoters. In spite of the unfavourable situation, the importance of the time risk was reduced thanks to the possibility of extension of projects implementation period.

## 2. Programme area specific developments

In February 2015, the minister of justice of the Czech Republic, Ms Helena Valkova, resigned and in March 2015, Prime minister of Czech Government appointed a new minister, Mr Robert Pelikan. The newly appointed minister of justice presented his priorities, mainly finalising the law concerning the Public Prosecutor and acceleration and improvement of criminal proceedings. Other areas of priorities, which are in line with objectives of the Programme CZ15, are reducing the cost and humanisation of the prison system and strengthening the computerization of the judiciary. Also his long term goal, introducing electronic bracelets for inmates, is in line with objectives of the Programme.

Preceding Annual Programme Reports described the prospective effects of the prisoner amnesty (announced by former president of the Czech Republic in January 2013) on the Programme CZ 15. The amnesty had a significant impact on the problem of prison overcrowding – the president’s measure reduced the occupancy of Czech prisons from the average of 114 % to nearly 80 %. Throughout the year 2014, however, the average occupancy of Czech prisons increased again to 93 % and during the year 2015 got over 100 % again. Because of that two prisons were re-opened. It is predicted that this trend of growing occupancy will continue in the near future.

The average occupancy of the Czech prisons				
Date	31. 5. 2013	31. 12. 2013	31. 12. 2014	6. 10. 2015
Occupancy (%)	113,15	79,53	93,12	102

During the year 2015 Ministry of Justice of the Czech Republic together with Prison service of the Czech Republic were preparing new conception of the Czech prison system. The conception should be presented to the Czech government in the beginning of the year 2016. The main goal of the conception is the change of the treatment of prisoners toward more modern methods and procedures, which should contribute significantly to the effective reintegration of released prisoners. This goal is in line with the goal of the Programme CZ15 to support the integration of prisoners back into society.

The justice sector continues to improve conditions of inmates in remand prisons and determination to improve correctional services including alternative sentencing, by re-launching the initiative to implement the system of an electronic monitoring system and other new trends in the justice sector. The Ministry of Justice of the Czech Republic has recently re-launched its initiative to implement the system of electronic monitoring (i.e. “electronic tagging”) into the Czech judicial system. This initiative is synergic to Priority area 32 included in the Programme CZ 15 – the introduction of electronic monitoring system will contribute to the goal of providing convicted persons with the opportunity to work, study, attend requalification courses and pursue their social and family lives to allow them to return to society more effectively upon serving their sentence. Introduction of the electronic monitoring system will have benefits in terms of reducing the number of prisoners and it will also contribute to reducing reoffending rate in the Czech Republic (which was in 2014 around 60%) and more effective protection of victims of crime. New concept of the penitentiary was launched on 1<sup>st</sup> July 2015 and consists of about 45 persons in working group. The next activity is the establishment of Probation Houses which shall help to the selected target group of inmates to remedy them.

Since co-financing of PDPs is secured by the Ministry of Justice chapter of the state budget, no problems with funding the activities related to fulfilment of the Programme’s objectives were reported. Therefore, the main goal of the Programme – to contribute to the increased quality of justice and to improve the Czech prison system by addressing some of its problems and developing of Probation and Mediation Services activities – is being successfully pursued.

On the basis of the annual risk analysis, a primary risk of the Programme has been identified. The risk of delay in utilizing all available financial resources and further implementation was taken into consideration and all the PDP's which are run by the Prison Services were extended.

### **3. Reporting on outputs**

Grant decisions for all PDPs were issued by the end of the 2014 and projects' implementation started immediately. Outcomes of all 7 PDPs set in the grant decisions are in compliance with the expected outputs of the programme. The greatest progress in the implementation was achieved within PDP 2 which focuses on training of the Probation and Mediation Service's staff. PDP2 has already started to achieve programme outputs. Other projects are delayed mainly because of personnel changes and delays in the implementation of public procurement and therefore monitoring of progress towards achievement of programme outputs within PDP1 and PDP 3 – 7 is not possible.

#### **PDP1 - Implementing videoconferencing in the resort of justice**

The status of PDP1 implementation has been influenced partly by several personnel changes within the project team at the turn of 2014 and 2015 and partly by lengthy preparation of the complex tender documentation and subsequent delays in execution of procurement. The tender comprising proposal of the technical solution, supply of requested technologies as well as training of the users was launched in May 2015. The winner of the tender was announced in September 2015; however, several unsuccessful bidders filed an objection to the Office for the Protection of Competition. The office has not decided about the objections yet and therefore the contract could not be signed. It is expected that it will be signed in January 2016. The working group responsible for amendment of internal and office rules for district, regional and high courts has finished the document "Videoconferencing in court proceedings" and drafted background documents for training of the users. Taking into account the delay in execution of the tender for videoconferences, the project promoter shall submit a request for extension of project implementation period.

#### **PDP2 - A system of further education for employees of the Probation and Mediation Service of the Czech Republic**

PDP 2 is implemented in line with the proposed schedule. In 2015, training within all compulsory and optional modules and preparation of training manuals continued. By October 2015 47 trainings were realised for 666 participants and 24 study materials were completed. The input indicator related to increased competence in probation and mediation skills will be achieved after completion of all trainings. Supervision of the trainers started in May 2015 and by October 2015 32 trainers were provided with supervision. Two study visits to Norway and two study visits to the Czech Republic were realised in 2015. The project promoter as well as the Norwegian partner (Akershus Probation and Mediation Office) stresses very good and fruitful cooperation. To further enhance bilateral relations, the project promoter and the Norwegian partner discuss possibility to utilise project savings to organise another study trip to Norway in spring 2016. In such a case, the project implementation period will be extended by approximately 3 months to allow for smooth realisation and accounting of the event.

<b>Expected Outcome:</b> Increased competence of actors within the judiciary			
Output: PMS staffs have increased competence in probation and mediation skills.			
Output indicator	Baseline	Target	Current value
Number of persons trained.	0	100	0 (the indicator relates to the number of PMS staff that will receive full training both in compulsory and optional modules, the current number of 666 participants of trainings relates to total number of staff that has received training in at least one of the modules so far)
Output: Supervision for lecturers provided.			
Output indicator	Baseline	Target	Current value
Number of lecturers provided with supervision	0	30	32
Output: Study materials / curriculum courses / syllabi / methodologies developed			
Output indicator	Baseline	Target	Current value
Number of materials	0	38	24

All projects implemented by the Czech Prison Service (**PDP3 - Projects for vulnerable groups and further education of employees of the Prison Service, PDP4 - Increasing effectiveness in preparation of prisoners before leaving Nové Sedlo prison, PDP5 - Increasing effectiveness in preparation of prisoners before leaving Opava Prison, PDP6 - Production and training hall in Přebram Prison, PDP7 - Increased effectiveness in treating young inmates in Kuřim Prison**) are significantly delayed (approximately by 1 year) due to the delayed tenders for the suppliers within both hard activities (reconstructions of prisons) and soft activities (training of inmates and prison service staff).

Preparation of small-scale public tenders for soft activities within individual projects started in 2014; however in April 2015 the Czech Prison Service reviewed the way of implementation of procurements and decided to merge individual small-scale tenders and to realise 4 over-limit public procurements. Tender documentations were redrafted and over-limit public tenders were launched in 3Q-4Q/2015. Implementation of soft activities within PDP3 has begun gradually from December 2015. Taking into account delays in projects implementation, soft activities for prisoners within PDP 4-7 should be realised at least partially since the beginning of 2016 in alternative premises. In 2015, only work activities for inmates within PDP4 were carried out in limited scope in alternative premises and training of employees within PDP7 started.

As regards the reconstruction of prisons, building permissions for all four PDPs were issued in April – June/2015 and public tenders were launched in July 2015. Within PDP4, the contractor was chosen;

however the company finally withdrew from contract signing and the tender had to be re-launched. Start of construction works is envisaged in 1Q/2016. Within PDP5 the tender was cancelled and relaunched in October 2015. Start of construction works is envisaged in 1Q/2016. Within PDP6 no bids were submitted within the tender and it was relaunched as negotiated procedure without publication in October 2015. Start of construction works is envisaged in 1Q/2016. Within PDP7 the contractor was chosen, the contract was signed and construction works began in December 2015.

Due to above described situation, the Czech Prison Service submitted to the PO a requests for extension of projects implementation period for PDP3 – PDP7 by 30 April 2017. The requests were approved in November 2015 with a view to ensuring successful projects implementation.

As for the bilateral activities within PDP3, four study visits to Norway were realised in 2015. The project promoter considers possibility to extend bilateral activities to be financed from the savings that may arise from the results of public tenders.

#### **4. Reporting on Programme outcome(s)**

As indicated in chapter 3, implementation of majority of projects within the CZ 15 has been delayed and therefore only minor progress towards fulfilment of the expected Programme outcomes could be monitored in 2015.

As in 2014, the greatest development may be observed within the outcome “Increased competence of actors within the judiciary”. Trainings aiming to increase competence in probation and mediation skills as well as preparation of related methodologies and study materials were implemented throughout the year and the project promoter declared approximately 80% fulfilment of all activities related to this programme outcome in the regular monitoring report by October 2015.

The outcome “Overcome challenges connected to growing prison populations and prison overcrowding” relates to reconstruction of four prisons, provision of legal consultancy to imprisoned foreigners including drafting of informative materials and training of prison staff in treatment of foreigners. Fulfilment of this outcome began with initiation of construction works in Kuřim prison; nevertheless, more remarkable progress towards achievement of this outcome will be noticeable during the year 2016.

As for the outcomes “Improved efficiency of the court systems, including the development of systems for case handling” and “Improved competences of both inmates and prison staff”, current state of projects’ implementation does not allow for measurement of the level of their achievement. Still, it may be stated that projects will achieve the outcomes assuming the ongoing tender procedures for delivery of equipment and services are successfully finished at the turn of 2015 and 2016 and implementation of activities is commenced immediately.

Main risk relating to to the Programme’s outcomes not to be achieved, as reported in the previous period, was the time risk. The decision of the representatives of the Donor States and FMO to allow an extension of the eligibility period and subsequent extension of projects implementation period has reduced the time risk and significantly increased the likelihood of achieving the desired outcomes.

## 4.1. Progress on horizontal concerns

CZ 15 Programme is not directly focused on any of the set horizontal concerns; still, individual projects address issues such as fighting hate speech, promotion of tolerance and multicultural dialogue, integration of minorities (including Roma people) or respect of human rights.

Selection of participants of activities implemented within individual projects (i.e. trainees of the PMS staff, prisoners involved in hard and soft activities) is based on professional and training needs regardless gender, age or socio-cultural background. Anti-discrimination stance is a natural part of the fundamental principles followed by the resort of justice.

Projects aiming at vulnerable groups in prisons, imprisoned foreigners and training of employees of the prison service and PMS focus on wiping out possible intolerance resulting from socio-cultural differences, fighting hate speech through improving reintegration of prisoners into society and improvement of services in line with relevant international human rights instruments.

## 5. Project selection

The CZ15 Programme comprises only projects pre-defined in the Final Programme Proposal. Their verification was finished in 2014 and the process was described in Annual Programme Report No. 2.

An ongoing call for proposals within Bilateral Fund at the programme level - Measure B (BFB) was launched in January 2015. The process of evaluation of applications and awarding of grant is in accordance with Guidelines for applicants and beneficiaries for the Bilateral Fund at the programme level – measure B which were discussed and approved with the DPP. Three applications have been submitted and three grants have been awarded so far (for details see chapter 6).

## 6. Progress of bilateral relations

An overarching objective of the Norway grants is to strengthen the bilateral relations between the Czech Republic and Norway. This objective is implemented at both programme level through activities of the Cooperation Committee and initiatives within Bilateral fund at Programme Level as well as project level through bilateral activities within PDP2 and PDP3.

### Programme level

On 18 March 2015 the 5<sup>th</sup> **Cooperation Committee (CoC)** meeting was organized in Prague. The representatives of the Council of Europe (DPP), the Directorate of Norwegian Correctional Services (advisor on bilateral relations) as well as the PO and the Programme Partner (PP - the Ministry of Justice of the Czech Republic) together with the project promoters of the individual PDPs informed about the current status of the Programme and PDPs and the main risk which was the time risk, especially in relation to public procurements. Other topics included information on the Bilateral Fund at programme level and the PP informed that they plan to submit two separate activities within this fund in upcoming months.



Among others it was confirmed that the members of the committee will be regularly updated about the progress (both positive and negative development) in the PDPs, they will be provided with short summary of all applications within bilateral fund – measure B.

After the CoC meeting a visit to one of the PDPs –Příbram Prison was organized. The main reason for the visit was to introduce the project and whole prison system of the Czech Republic to foreign partners who participate in the CZ15 Programme. Representatives from the Norwegian Correctional Services highlighted the professionalism of the Prison Service employees and quality of their care. All the members supported the necessity of construction of a hall which will serve as a work and educational area for inmates.

The 6<sup>th</sup> CoC meeting took place in the premises of Directorate of Norwegian Correctional Service in Lillestrøm, Norway on 12 - 13 October 2015. Apart from the representatives of the PO, PP and DPP the meeting was also attended by the representatives of the project promoters (the Prison Service and the Probation and Mediation Service).

Cooperation Committee meeting was devoted primarily to current issues related to the implementation of Programme CZ15 and individual predefined projects. There were also discussed issues focused on the strengthening of bilateral cooperation at the programme level as an essential aspect of the EEA and Norway grants, including the discussion of particular bilateral initiatives.

Visit to the prison in Oslo was organized for the participants of the meeting on the second day. This prison is the oldest and largest prison in Norway. Participants from the Czech Republic were able to get practical experience with the Norwegian system of correctional services. This system is in many aspects different from the system in the Czech Republic, but from the perspective of the Czech Prison Service is perceived as inspiring.

Two initiatives (workshop in Prague and Oslo) were implemented within **Bilateral Fund at Programme Level – measure A (BFA)** in 2013 with the aim to establish partnerships within PDPs. The final accounting of the initiatives took place at the turn of 2015 and 2016. Other activities within BFA are not planned.

**Bilateral Fund at Programme Level – measure B (BFB)** was set up to enhance the development and strengthening cooperation between Project Promoters and entities in the donor states and/or international organizations during the implementation of pre-defined projects under the Programme CZ15. The fund is further aimed at support of activities initiated by the Programme Operator (including Programme Partner) and Donor Programme Partner that contribute to fulfilment of Programme objectives, strengthening cooperation and exchange of experience related to Programme implementation among Programme partners and similar entities within the Czech Republic, the Donor States and other states benefiting from Norway Grants. The Operator of the Fund is the PO of the CZ15 Programme (the Ministry of Finance). The open call for applications was launched on 29 January 2015. The Guidelines for Applicants and Final Beneficiaries from the Fund for Bilateral Relations at Programme Level – Measure “B” were updated by the PO in November 2015 (update concerned mainly specification of eligible expenses, extension of eligibility of applicants to project promoters of already finished projects, detailed specification of rules for changes to an application and extension of deadline for submission of proposals till 31 December 2016).

In 2015, three applications for grant from the BFB were submitted in the total allocation of 30 617 EUR (using the exchange rate 26,50 CZK/EUR). All applications were approved by the PO, which means that approximately 55 % of the BFB allocation has been contracted so far.

1. “Study visit to Norway - Exchange of Experience and Good Practise in Electronic Monitoring and Probation Houses” – The representatives of the Czech Ministry of Justice, Probation and Mediation

Service, Prison Service and working group EMSON attended a study trip to Norway. The five-day study trip took place from 14 to 18 September 2015. The DNCS was the Norwegian partner of the initiative. The main objective of the initiative was to exchange mutual experience and good practice in two principal areas – the first area was the implementation of electronic monitoring system as an alternative solution for custody and prison sentence, the second area was the establishment and operation of probation houses.

The inspiration and experience from Norway should be transferred into practice in Czech conditions in both areas – electronic monitoring and probation houses as well. After the study visit, the preparation of new methods for implementation of probation houses as well as for the operators of the Operation centres in the Czech Republic is planned to be done.

2. “Multilateral seminar in Poland: ECHR as integral part of judicial methodology - motivation of judgments” – The Norwegian National Courts Administration initiated the idea of organising a series of multilateral seminars with national judicial institutions of Poland, the Czech Republic, Romania and Lithuania. The aim of the seminars for judges is to facilitate the practical implementation of ECHR by focussing on motivation of judgments. The multilateral seminars are carried out in collaboration with the Council of Europe’s HELP Programme – HELP is funding expenses related to the chairman of the panel of experts. The expenses related to the hosting of the individual seminars are covered by bilateral funds either on the Programme level or the National level.

The first seminar took place in Poland (Lublin) on 28 – 29 September 2015. The second seminar will be arranged in Bucharest. The above mentioned BFB initiative covered expert fee of the Czech expert for participation in seminar in Lublin.

The seminars are based on a panel of high profile experts, with one expert from each country. The chairman of the group of experts is Czech expert JUDr. Zděnek Kühn. The outcome of the series of the seminars will be the final publication of findings from the series of the seminars. The panel is meeting during the multilateral seminars and has its own meetings as well. The first meeting of the experts group was on 17 June 2015 in Prague, another one, in between of the seminar, will be on 22 January 2016 also in Prague.

3. „Participation of the representatives of the predefined projects at the programme CZ15 Cooperation Committee meeting in Oslo“ – CoC meeting of the CZ15 Programme was held in Oslo on 12 - 13 October 2015. As was agreed on the previous CoC meeting in Prague, the representatives of PDPs were invited to take part in the CoC meeting in Oslo. There was one representative of the Probation and Mediation Office (representative of PDP2) and six representatives of the Prison service (representatives of PDP 3 -7).

Participation of PDP representatives at the CoC meeting allowed for exchange of experience and good practice with project implementation and discussion of possibilities of further bilateral cooperation within individual projects as well as on programme level. Thanks to planned visit of the prison, the project promoters had the opportunity to get acquainted with the conditions and functioning of prisons in Norway.

### **Plans for the future bilateral projects**

Justice sector is currently discussing three possible bilateral projects between Prison Service and DNCS. Discussed areas are: prisons management training in the Czech Republic in order to convince them of human access to prisoners; shadowing programme, where the representatives of the Prison Service would watch the practical management of prisons in Norway for a week or two, and round tables for management of prisons.

## Project level

Project partnerships were established within **PDP 2** (Probation and Mediation Service) and **PDP 3** (Prison Service). The partnership agreements were signed with the Directorate of the Norwegian Correctional Service (DNCS) which is responsible for the overall coordination of bilateral activities. Other Norwegian entities like Akershus Probation Office, KRUS, etc. were involved in bilateral activities under the auspices of the DNCS.

Both projects have initiated bilateral activities immediately after project approval and prepared a detailed plan of bilateral activities. First workshops were organised in November 2014. In 2015 the bilateral activities continued. Within PDP2 two study visits to Norway and two study visits to the Czech Republic were realised. Within PDP3 four study visits to Norway were realised. All stakeholders stress out very good level of cooperation and confirm benefits of the bilateral cooperation to implementation of project outputs (i.e. transfer of know-how and practices within preparation of guidelines for further education of PMS employees).

Within the 6<sup>th</sup> CoC meeting, project promoters drew attention to the problem with proof of expenses of the Norwegian partner (DNCS). DNCS has difficulties with either providing an audit report documenting its expenses (PDP3), or has already presented report with incomplete data (PDP2). The issue was discussed and the requirements on the content of the report were clarified. Representative of the DNCS promised cooperation and speedy solution of this issue.

The table below includes the overview of four bilateral indicators set within the Programme including the values achieved so far.

### (A) Target for number of partnership projects

Standard quantitative indicators	Type of results	Baseline	Target	Current value	Source of verification
Number of project partnership agreements in the public sector	Extent of cooperation	0	2	2	Partnership agreements were signed within PDP2 and PDP3

### (B) Additional general indicator for the total bilateral aspect of the programme at the overall level

Standard quantitative indicators	Type of results	Baseline	Target	Current value	Source of verification
Number of new practises adopted in a beneficiary state, as a result of transfer of knowledge from a donor state partner.	Shared results	0	2	1	Knowledge of the Norwegian partner has been reflected in the content of the training manual of Probation and Mediation office (so far i.e. within Probation specialisation, and Parole specialisation). The activities of the Prison Service are in the initial stage of implementation. It is expected that the knowledge of from a donor state partner will be gradually utilised during the year 2016.

Number of articles published in one country about the other partner country	Knowledge and mutual understanding	0	3	5	2 articles published by Probation and Mediation Service, 2 articles published by Prison Service and 1 article published by the Ministry of Justice
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An **evaluation of bilateral cooperation within the EEA / Norwegian grants** has been launched by the Ministry of Finance in November 2015. The evaluation is carried out by an external contractor. An analysis is carried out via questionnaire survey and interviews with selected stakeholders. The results from the evaluation will be presented in the Czech Republic at the end of February 2016. All involved participants will be informed about the results. The returned feedback from donor state project partners (for all programmes) amounts to 80 %.

## 6.1. Complementary action

No funds were earmarked for complementary actions within the CZ15 Programme; however, funds were made available within the BFB to promote activities with the complementary action character. The PDP promoters lack capacities to realise bilateral activities beyond those originally planned within the projects in current stage of implementation, therefore the initiatives implemented within the BFB so far have been of the complementary action type.

## 7. Monitoring

Regular project monitoring of all PDPs is carried out electronically through the IS CEDR every four months. The monitoring report describes overall project progress as well as progress within individual activities, fulfilment of project outputs and outcomes, development of bilateral relations, public procurement procedures. The financial section of the report, the so-called request for payment, provides information of accounting and financial status of the project, including a list of expenditures and attachments with copies of invoices and accounting enclosed. Monitoring reports are assessed by the PO, the information given in the report is compared with the data given in the project application and the legal act, including the logical framework and project budget, and also with the facts stated in the previously approved reports.

The reports submitted so far proved that the actual project implementation does not significantly differ from the plan stated in the application as concerns the projects aim and content. However, the reports clearly show delays in public procurements and their negative impact on the project implementation period and drawing of funds.

In June 2015 the PO launched on-the-spot controls of all projects within the EEA / Norway grants. The controls are carried out in cooperation with an external supplier. The aim of the on-the-spot controls is to verify whether the project progress and financial status comply with the information declared in monitoring reports and whether the project management is efficient to meet the planned project goals. Following aspects are being checked: project progress, efficiency and effectiveness of project expenditures, adequacy of reporting on project modifications, efficiency of changes including their impact and added-value for the project, fulfilment of project specific conditions, transparency in

management of the project, adequacy of risk management, publicity, sustainability potential, cooperation with partners etc. Representatives of the PP are invited to participate at the monitoring visits as observers.

The on-the-spot control of PDP2 has been carried out so far. No major shortcomings, that may endanger the project implementation and reaching the set project objectives, were identified.

The Monitoring Plan for 2016 is enclosed to this report. As majority of projects are delayed, the on-the-spot controls are planned mainly for the 4<sup>th</sup> quarter 2016. There will be also one final financial on-the-spot control of PDP2 carried out in 2016.

## **8. Need for adjustments**

In line with the section 2.1.9 of Annex I to the Programme Agreement, the indicators listed in section 1 of Annex I were reviewed and submitted to the NMFA for approval in November 2014. The indicators were updated on the basis of the PDP applications. The modification concerned target values, they were increased in most cases, only 2 indicators were decreased. The information in Annex II of the Programme Agreement was updated as well. The new versions of Annex I and Annex II to the Programme Agreement entered into force on the 7 April 2015 upon the acceptance by the NFP.

The second revision of Annex II to the Programme Agreement concerned an administrative mistake in description of PDP4 where the amount of maximum contribution from the grant was shuffled with the total estimated project costs. The new versions of Annex I and Annex II to the Programme Agreement entered into force on the 19 October 2015 upon the acceptance by the NFP.

Upon the official information from the FMO about possibility to extend the project implementation in 12 programmes until 30 April 2017 the NFP started to prepare the official requests for the extension to the FMO: the first official request for the extension was submitted to the FMO on 17 July 2015 and this request included all projects within the CZ15 Programme. In relation to project extension a third revision of Annex I and II to the Programme Agreement was sent to the NFP for acceptance on 10 December 2015. The NFP accepted the revised documents on 18 January 2016.

## **9. Risk management**

In general, there has been a positive trend in the evaluation of the risk analysis made in 2015 in comparison with the previous analysis made in 2014, mainly thanks to the possibility of extension of projects' implementation period.

Programme Operator in cooperation with the Programme Partner updated the programme risk analysis in August 2015 and December 2015. In accordance with the outcomes of the analysis, the CZ15 still ranks as one of the less risky programmes out of 15 programmes implemented in the Czech Republic.

Importance of all the programme risks is at the middle or low level. Thanks to the extension of eligibility of expenditures and possibility to extend project implementation period till 30 April 2017 also the likelihood of the time risk was reduced from high to medium level. The main risk connected with time delays identified in the previous APR, lengthy public procurement procedures, proved to be valid within the 2015. Although the PO provided consultations within the process of preparation of tender procedures, some decisions made by the project promoters influencing duration of tenders were beyond the influence of the PO. Further delays occurred also due to the fact that several public

procurements were unsuccessful and had to be relaunched, which is beyond the influence of the PO and the project promoters. The absorption capacity of the Programme had also been threatened by delays in public procurement prior to the approval of extension of the eligibility.

The likelihood of risk connected with reporting and irregularities has increased as regular monitoring has been fully applied to all projects from the beginning of 2015 and the on-the-spot controls carried out by the PO were commenced in July 2015. The increase, however, does not constitute a risk to the Programme; on the contrary, reporting and the on-the-spot controls should contribute to smooth and successful implementation by timely detection of potential shortcomings and their subsequent elimination.

The risk related to bilateral relations is at the level low importance due to the fact that the likelihood of unsuccessful implementation of joint activities and lack of interest in bilateral cooperation was reduced. The roles and activities of the CoC were settled and the members of the CoC actively participate in joint activities. All planned partnership activities within PDP2 and PDP3 were carried out in 2015 and all stakeholders stress out high quality of cooperation. All potential eligible applicants show interest in implementation of joint initiatives within the Bilateral Fund on Programme Level (measure B). Potential difficulties may arise due low time capacity of involved stakeholders and insufficient prove of expenditures of the Norwegian partners.

As concerns risks connected with implementation system set-up and programme management structures, the level of their importance was lowered as setting up of all systems was finalised and the programme and projects management structures were stabilised. The manuals and procedures are regularly updated in line with changes within national legislation and the EEA / Norway Grants rules; however, the revisions are not essential. They usually concern better specification of already existing rules and requirements. The information system CEDR is used by project promoters and the PO on a daily basis and the current experience proves its practicality and more or less user-friendly setup.

The table below shows the overview of the risks and their assessment within the Programme in 2015 compared to the situation in 2014.

Year	Programme Title	Programme financial allocation	Type of Programme Operator	Programme complexity	Conditions stated in PA	Management and control structures, programme management	Programme implementation set up	Time risk - delay in commitment and disbursement of funds	Programme absorption capacity	Legislation changes	Reports and irregularities	Programme audits/controls	Number of programme partners	Bilateral relations	Information system	Corruption risk	Specific programme risk	Specific programme risk - description
2015	CZ15 - Judicial Capacity building Cooperation and Correctional services, including Non-custodial sanctions	9	6	6	12	8	8	15	12	3	12	15	6	4	9	4	6	Security issues within PDP 4-7
2014		9	6	6	12	12	9	20	6	3	4	15	6	4	9	4	6	Security issues within PDP 4-7

## 10. Information and publicity

The publicity of the Norway Grants is being secured both at the programme and project level. The publicity is ensured by the PO in close cooperation with the PP as well as by individual project promoters.

The web site <http://www.eegrants.cz/> of the PO is the first entry point for stakeholders looking for information about EEA / Norway Grants and the CZ15 Programme. All relevant information on funding opportunities and how to apply, including general information about the Norway Grants 2009-2014, updated information about the state of implementation of the programmes, summary of the projects, documents relevant to the programme (methodology, guidelines, manuals), contact information etc., has been published online, both in the Czech and English language.

The PO has also developed the information system CEDR, accessible to the applicants, project promoters, Programme partners etc., which has been also used for communication and publicity purposes. On the top of that, social media is being used for promotional and informational purposes, i.e. Facebook <https://cs-cz.facebook.com/EHPaNF> having over 900 followers.

On 19 February 2015 a seminar for the project promoters within the CZ15 was organized by the PO. The project promoters were informed about the requirements regarding the implementation of the projects (monitoring reports, financial reports, public procurement, publicity etc.).

In compliance with the communication plan, promotional materials (folders, notebooks, bags, and pens) were produced and are distributed at different occasions. An overview of EEA / Norway Grants in the Czech Republic including information on CZ15 programme and PDPs in a form of a small brochure was prepared and is also distributed at different occasions and events.

The Programme Partner, the Ministry of Justice, regularly informs the public about the developments in CZ15 Programme and the PDPs 1–7. This information is mainly presented in Czech language through the website of the ministry ([www.justice.cz](http://www.justice.cz)) and official accounts of the ministry on Twitter and Facebook. A particular section of the website is devoted to general information about Norway Grants and individual projects:

<http://portal.justice.cz/Justice2/MS/ms.aspx?j=33&o=23&k=5893&d=329827>

The Ministry of Justice has also published several press releases, for example:

- Probation and Mediation Service of the Czech Republic welcomed Norwegian colleagues  
<http://portal.justice.cz/Justice2/MS/ms.aspx?o=23&j=33&k=5795&d=343366>
- Norwegian delegation visited Probation and mediation Service of the Czech Republic  
<http://portal.justice.cz/Justice2/MS/ms.aspx?o=23&j=33&k=5795&d=340733>
- Norwegian-Czech workshop on vulnerable groups in the prisons  
<http://portal.justice.cz/Justice2/MS/ms.aspx?o=23&j=33&k=5795&d=340793>
- The Study visit in Norway financed from bilateral fund  
<http://portal.justice.cz/Justice2/MS/ms.aspx?o=23&j=33&k=5795&d=345694>
- The Multilateral seminar in Lublin financed from bilateral fund  
<http://portal.justice.cz/Justice2/MS/ms.aspx?o=23&j=33&k=5893&d=345809>

- Cooperation Committee in Norway in October 2015  
<http://portal.justice.cz/Justice2/MS/ms.aspx?o=23&j=33&k=5893&d=345810>

The Prison Service published number of press releases regarding the PDP's, for example:

- Excursion to the Norwegian prison service  
<http://www.vscr.cz/generalni-reditelstvi-19/o-nas/norske-fondy-1703/pdp-3-gr-vs-cr/exkurze-u-norske-vezenske-sluzby>

Each PDP has its own web page where Prison Service informs about the projects.

Project of Probation and Mediation Office has a web page:

<https://www.pmscr.cz/system-dalsiho-vzdelavani-pracovniku/>

## 11. Cross - cutting issues

### **Good governance**

The Programme as well as projects is managed by a qualified staff that has to a large extent prior experience with managing of similar programmes/projects. Some implementation teams responsible for management of individual PDPs have experienced several personnel changes at the turn of 2014 and 2015; however, currently the management structures are consolidated and working on projects implementation. External team members and service providers have been selected on the basis of open, transparent and competitive selection procedures to ensure the hiring of the most qualified personnel.

All tenders are implemented transparently in accordance with the Public Procurement Act 137/2006 Coll., as amended, internal instructions of the Ministry of Justice of the Czech Republic on centralised public procurement and the Guidelines of the NCP on small-scale public procurement. Strict observance of the law as well as complicated approval procedures related to public procurement within the justice sector has caused delays in projects' implementation. On the other hand, the probability of mistakes and irregularities in connection with public procurement was minimised.

### **Gender equality**

Equal opportunities between men and women in terms of their social and professional development, as well as equal opportunities regardless of race, ethnicity, religion or world opinion, disability, etc. are taken in the account both within the Programme and individual PDPs.

Personnel policy within the Czech state administration takes into consideration the principles of gender mainstreaming. The Government strategy on gender equality in the Czech Republic for years 2014 – 2020 further enhances equality and sets priorities and procedures of the Government in promoting equal opportunities for women and men.

Gender equality was also taken into account during selection of prisons to be reconstructed within the Programme. One of four prisons that were awarded a grant was woman's high-security prison in Opava.

### **Sustainable development**

The principles of sustainable development are observed during Programme and projects' implementation. The attention is paid to efficient and economical use of resources and energy and



proper waste management. Use of electricity and water is duly supervised, in particular lighting and inefficient heating in winter. Projects records are kept in electronic format where possible (mainly thanks to IS CEDR); the amount of printed material is limited to the minimum level required by circumstances.

As for the economic sustainability, the pre-financing and co-financing of projects implementation phase has been secured within the state budget and no threats are expected. Maintenance of project results shall not be as costly, and will be provided by project promoters existing staff and financed by their budgets.

Social sustainability shall be ensured by the employees of the project promoters who will continuously map out target groups and assess their needs in order to adapt and develop the Programme results to new conditions and target groups' needs.

The cross-cutting issues and adherence to their principles is continuously being monitored. The project promoters fill in the information on horizontal topics (good governance, sustainable development, gender equality, anti-corruption measures etc.) in the Annual monitoring report. Monitoring is also during the on-the-spot controls.

## **12. Attachments to the Annual Programme Report**

**Annex 1: Risk assessment of the programme**



**Annex 2: Monitoring plan 2016**

**Annex 3: List of projects for communication purposes or as examples of best practices**

**SIGNATURE:**



For Programme Operator

*I certify that I am duly authorised to sign this Annual programme report and that I have thoroughly reviewed the progress of the programme, reporting on outcomes and outputs, risk management provided in this report and the information are correct and accurate.*

				<b>Optional second signature</b>		
<b>Name</b>	Ms. Zuzana Kudelová			Ms. Martina Bečvářová		
<b>Position</b>	Head of the Department of International Relations			Head of the Monitoring Unit		
<b>Organisation</b>	Ministry of Finance of the Czech Republic			Ministry of Finance of the Czech Republic		
<b>Signature</b>						
<b>Date</b>	Day	Month	Year	Day	Month	Year
	09	02	2016	09	12	2016

**For the National Focal Point**

*The National Focal Point certifies that the status of reporting of the programme described above is accurate.*

				<b>Optional second signature</b>		
<b>Name</b>	Ms. Lenka Jurošková					
<b>Position</b>	Deputy Minister of Finance					
<b>Organisation</b>	Ministry of Finance of the Czech Republic					
<b>Signature</b>						
<b>Date</b>	Day	Month	Year	Day	Month	Year
	12	02	2016			

## Annex 1: Risk assessment of the programme

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	The PRG contains 7 PDPs pre-financed from the state budget; therefore the risk of lack of the funds is low. On the other hand, the successful drawing of funds had been threatened by delays in projects' implementation prior to the approval of extension of the eligibility.	Middle	Middle	Middle	<ul style="list-style-type: none"> <li>- oversight of actual state of project implementation (mainly regular monitoring)</li> <li>- timely information on any changes, problems</li> <li>- efficient use of savings</li> </ul>
	Legislation changes	PRG is not directly related to implementation of any legislation change. No legislation change related to the PRG occurred during this reporting period.	Low	Middle	Low	<ul style="list-style-type: none"> <li>- sufficient information about PRG and its goals in order to avoid collision with government intention</li> <li>- timely information on any potential legislation changes</li> </ul>
	Time risk - delay in commitment and disbursement of funds	Grant Decisions for all PDPs were issued. Implementation of all PDPs started in the second half of 2014. Delays appear mainly in relation to public procurement. On the other hand, implementation period of PDPs may be extended by one year upon justified	Middle	High	Middle	<ul style="list-style-type: none"> <li>- preparation of high quality tender documentation</li> <li>- monitoring of preparation as well as realisation of tenders</li> <li>- assistance to the project promoters throughout the whole procurement process</li> <li>- extension of implementation period and eligibility of</li> </ul>

<sup>1</sup> The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

<sup>2</sup> Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

<sup>3</sup> Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

<sup>4</sup> Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
		request.				expenditures till 30 April 2017
	Specific risk of the CZ 15 Programme – security risk	The risk concerns PDPs 3 – 7, which are implemented in prisons and may have impact on the set security rules, especially in cases of activities in which direct involvement of prisoners is expected.	Low	Middle	Low	<ul style="list-style-type: none"> <li>- good quality selection of prisoners to be involved in the project</li> <li>- involvement of experienced lectors and trainers</li> <li>- strict compliance with safety rules</li> </ul>
<b>Bilateral outcome(s):</b>	Bilateral relations	Partnership is promoted both on the programme and project level. Partnership with the Donor Programme Partner was set up. Partnership agreements with Norwegian partners were signed within PDP2 and PDP3 and cooperation is ongoing, all planned activities were realized in 2015. The cooperation is further enhanced within the bilateral fund on programme level (measure B), 3 initiatives approved so far. The risk concerns mainly time capacity of involved stakeholders and prove of expenditures of the Norwegian partners.	Low	Middle	Low	<ul style="list-style-type: none"> <li>- support of bilateral relations through the websites of all relevant stakeholders</li> <li>- clear specification of the rules for financing and reimbursement of expenditures</li> <li>- good quality planning of activities</li> <li>- active cooperation and communication among partners</li> </ul>
<b>Operational issues:</b>	Management and control structures, programme management	Management and control structure at the national level has been approved by the audit authority and the FMO. PO manuals and procedures were	Low	Middle	Low	<ul style="list-style-type: none"> <li>- support to all stakeholders regarding rules of programme/project implementation (seminars, trainings, provision of</li> </ul>

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
		finalized and approved. At this stage, the risk concerns mainly knowledge and compliance with the set rules and personal capacities within the management structures.				information on web etc.) - regular update of manuals and procedures - ensuring stability of management structures
	Programme implementation set up	Manuals and procedures at national level and PO level (i.e. guidelines for applicants, open calls, small-scale tenders, eligibility of expenditures, etc.) were issued. Major changes in the set up are not foreseen.	Low	Middle	Low	- continuous evaluation of the system's functionality and possible adjustments - regular update of manuals and procedures
	Reports and irregularities within programme	Programme and PDP implementation was started and monitoring reports are submitted to the PO on a regular basis. In July 2015 the on-the-spot controls by the PO were started, no irregularities have been reported.	Middle	Middle	Middle	- regular programme monitoring in line with the plan - consistent verification of monitoring reports and on-the-spot controls.
	Programme audits/controls	The on-the-spot controls of all PDPs were started in July 2015. The controls are realized by the PO. The control of PDP2 has been realized so far. Other audits and controls may be carried out by audit authorities of the Czech Republic etc.	Middle	Middle	Middle	- set up of audit and control plans - regular monitoring, on-the-spot visits and audits.
	Information system	The information and monitoring system CEDR is in service. Minor adjustments are ongoing. At this	Middle	Middle	Middle	- adjustments of the system in order to fix all imperfections - intensive cooperation with the

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
		stage the risk relates mainly to the knowledge of the system and abilities to work with it properly.				contractor to minimize breakdowns and failures - providing support to all stakeholders (manuals, training etc.)
	Corruption risk	Programme implementation set-up is transparent, rules and procedures are clearly stated in manuals and guidelines.	Low	Middle	Low	- transparent programme implementation set-up - regular controls

## Annex 2: Monitoring plan

Project no.	Name of the project	Planned date of on-site monitoring visit /review	Note
NF-CZ15-PDP-1-003-01-2014	Implementing videoconferencing in the resort of justice	<b>2Q/2016</b>	Regular on-the-spot monitoring visit, Prague
NF-CZ15-PDP-2-001-01-2013	A system of further education for employees of the Probation and Mediation Service of the Czech Republic	<b>3Q /2016</b>	Final financial on-the-spot control, Prague  (regular on-the-spot monitoring visit was realized on 30 July 2015)
NF-CZ15-PDP-3-002-01-2014	Projects for vulnerable groups and further education of employees of the Prison Service	<b>3Q/2016</b>	Regular on-the-spot monitoring visit, Prague
NF-CZ15-PDP-4-004-01-2014	Increasing the effectiveness of preparation of prisoners before release from Nové Sedlo Prison	<b>4Q/2016</b>	Regular on-the-spot monitoring visit, Prague/Nové Sedlo
NF-CZ15-PDP-5-005-01-2014	Increasing the effectiveness of preparation of female prisoners before release from Opava Prison	<b>4Q/2016</b>	Regular on-the-spot monitoring visit, Prague/Opava
NF-CZ15-PDP-6-006-01-2014	Construction of a production and educational hall for retraining courses for prisoners before their release in Příbram Prison	<b>4Q/2016</b>	Regular on-the-spot monitoring visit, Prague/Příbram
NF-CZ15-PDP-7-007-01-2014	Increased effectiveness in treating young inmates in Kuřim Prison	<b>4Q/2016</b>	Regular on-the-spot monitoring visit, Prague/Kuřim

**Annex 3: List of projects for communication purposes or as examples of best practices**

<b>Project no.</b>	<b>Name of the project</b>	<b>Note</b>
NF-CZ15-PDP-2-001-01-2013	A system of further education for employees of the Probation and Mediation Service of the Czech Republic	Project conference in Prague planned for 17 – 18 March 2016. Both project promoter and project donor partner stress high quality of bilateral cooperation.
NF-CZ15-BFB-1-013-2015	Multilateral seminar "ECHR as integral part of judicial methodology - motivation of judgments"	Example of cooperation among donor and beneficiary countries with the framework of the PA 31